

The Gazette of India



EXTRAORDINARY
PUBLISHED BY AUTHORITY

NEW DELHI, TUESDAY, NOVEMBER 8, 1949

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE
RESOLUTION

(EXPORT PROMOTION COMMITTEE REPORT)

New Delhi, the 8th November 1949



No. 64-OW(34)/49.—Feeling great concern at the unfavourable balance of trade position, Government appointed, by Resolution of July 9, 1949, the Export Promotion Committee under the Chairmanship of Mr. Gorwala, and charged it with the task of suggesting ways and means to achieve a balance between exports and imports. The Committee was also asked to examine the impediments in the way of increased exports, particularly price, quality and licensing mechanism, and to suggest what should be done to remedy the situation. The committee was to make special recommendations in connection with our exports to hard currency countries. The terms of reference were purposely kept sufficiently wide to enable the Committee to deal with any matter relevant to the main subject of promotion of export trade. The Committee was requested to submit its report by September 15, 1949. Government is pleased to note that the Committee was able to submit the report by the 15th September, and that the report deals with all the matters which fell within its scope of enquiry.

2. Government accepts the recommendation of the Committee that special steps should be taken to develop and promote India's export trade and has decided that the office of the Chief Controller of Exports should be charged with this responsibility. An Export drive however can only be successful if the volume of internal production also expands. Otherwise, an internal shortage would be created which would necessitate additional imports or cause a rise in prices. Only by increasing internal production can the problem be most satisfactorily tackled.

3. Government has noted the recommendation of the Committee for increased production of such crops as will fetch a good price directly, or after processing in the export market, or will reduce the necessity for imports of the more expensive commodities. Proposals for securing adequate production of food as well as exportable cash crops are under the consideration of Government.

4. The Committee has in its Report made a number of important and valuable suggestions on general matters relating to export promotion as well as in regard to individual commodities. It is not possible to deal with in the body of this Resolution with all the recommendations in detail, some of which require further and more detailed consideration while others have already been acted upon. The decisions of Government on some of the more important recommendations of the Committee are summarised below:—

- (1) The Government of India will bring to the notice of Provincial Governments the observations of the Committee regarding the effect

of wasteful indiscriminate stoppage of cattle-slaughter on the export trade in hides and skins.

- (2) Government shares the concern expressed by the Committee over the growth of speculation which has often tended to degenerate into gambling and will take steps to bring it under proper control. Speculation in jute goods has already been stopped.
- (3) Steps will be taken to liberalise export control still further and particularly to reduce restrictions on the export of manufactured goods to the minimum.
- (4) The licensing procedure as well as the other formalities connected with exports will be simplified so as to eliminate delays and inconvenience to the trade.
- (5) When goods are to be exported up to a total quota, exports will as far as possible be allowed to go freely until the quota has been exhausted.
- (6) Processing and re-export of goods of soft currency origin will be encouraged. For this import quotas will be increased where necessary.
- (7) Those engaged in the export trade or in producing for export will receive full consideration in the allocation of controlled raw materials, grant of import licences, supply of packing materials and provision of transport. The Chief Controller of Exports will assist in cases of difficulty.
- (8) Steps will be taken on the lines of the recommendations of the Committee to ensure that the quality of Indian exports is such as to give no cause for complaint to overseas buyers and that if any complaints are received they are promptly dealt with and settled.
- (9) Government will be ready to revise export duties whenever the conditions of trade seem to warrant such action.
- (10) Steps to ensure that provincial sales taxes will not apply to exports in the future have been already taken.
- (11) The question of giving a rebate in respect of import duty paid on raw materials used in any processing industry will be considered sympathetically subject to the necessary administrative arrangements to establish the identity of the raw material used being practicable.
- (12) Measures to give relief to persons trading in countries with which there is no double incometax relief arrangement are under consideration.

5. In conclusion, Government wishes to place on record its sense of appreciation of the Report which was prepared within the time prescribed and which covers such a wide range of commodities entering into our export trade. Government is fully aware that Mr. Gorwala and his colleagues on the Committee have had to work at considerable personal inconvenience and sacrifice and takes this opportunity of expressing its thanks to all those who have so ungrudgingly worked in the cause of the country's export trade.

Ordered that a copy of the Resolution be communicated to all concerned.

Ordered also that it be published in a Gazette of India Extraordinary.

C. O. DESAI, Secy.